

Decision

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Elk Grove Airporter LLC for a Certificate of Public Convenience and Necessity to provide on-call, door-to-door, passenger stage service between the San Francisco International Airport (SFO) and the Sacramento International Airport (SMF); and to establish a zone of rate freedom.

Application 14-04-022
(Filed April 17, 2014)

D E C I S I O N G R A N T I N G A P P L I C A T I O N**Summary**

This decision grants the application of Elk Grove Airporter LLC, a California Limited Liability Company, pursuant to Pub. Util. Code §§ 1031, et seq., for a Certificate of Public Convenience and Necessity to operate as a Passenger Stage Corporation, as defined in Pub. Util. Code § 226, and to establish a Zone of Rate Freedom, pursuant to Pub. Util. Code § 454.2.

Discussion

Elk Grove Airporter LLC (Applicant), requests authority to operate as an on-call Passenger Stage Corporation (PSC) to transport passengers between points in the Counties of San Francisco, San Joaquin, Solano, Stanislaus, Sutter, Tehama, Tuolumne, Yolo, Yuba, Amador, Butte, Calaveras, Colusa, Contra Costa, El Dorado, Glen, Merced, Nevada, Placer and Sacramento, and San Francisco International Airport (SFO) and Sacramento International Airport (SMF). Applicant states that there has been only one PSC company offering

airport shuttle service between Sacramento and SFO, and it believes passengers are seeking alternative shuttle opportunities to SFO and SMF. Applicant anticipates transporting an average of 4 passengers per day to SFO, and 6 passengers per day to SMF.

Applicant states that there is a need for this proposed service. The proposed service will encourage the public to share rides and reduce congestion on the highways. A California Environmental Quality Act review is not required, because approval of this application will not introduce a significant adverse effect on the environment.

The proposed one-way fare ranges from \$65 (Vallejo to SFO) to \$135 (Folsom to SFO), and \$21 (Sacramento to SMF) and \$150 (SFO to SMF).

Applicant requests authority to establish a Zone of Rate Freedom (ZORF) of \$30 above and below the proposed fares. The minimum fare will be \$21. Applicant will be competing with transportation charter party (TCP) carriers, transportation network companies, taxi-cabs, rental cars, on-call shuttle services, and private automobiles. This competitive environment should result in Applicant pricing its service at a reasonable level.

Notice of filing of the application appeared in the Commission's Daily Calendar on April 22, 2014. Applicant served notice of the application to the involved cities, counties, airport, and public transit operators in the service area.

In Resolution ALJ 176-3335, dated May 1, 2014, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3335.

Safety Considerations

To be authorized to commence operations as a PSC, the Applicant must comply with the following requirements to protect public safety: proof of insurance pursuant to General Order Series 101, compliance with the controlled substance and alcohol testing program pursuant to Pub. Util. Code §1032.1 and General Order Series 158, and enrollment in the pull notice system as required by Section 1808.1 of the Vehicle Code.

Waiver of Comment Period

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

Assignment of Proceeding

Denise Y. Tyrrell is the assigned Examiner in this proceeding.

Findings of Fact

1. The application requests authority to operate as an on-call PSC to transport passengers from points in various counties and the San Francisco International Airport (SFO) and the Sacramento International Airport (SMF)
2. Public convenience and necessity requires the proposed service.
3. Applicant requests authority to establish a Zone of Rate Freedom of \$30 above and below the proposed fares. The minimum fare will be \$21.
4. Applicant will compete with other means of passenger transportation.
5. No protest to the application has been filed.
6. A public hearing is not necessary.

7. Proposed service will reduce the number of vehicles on the public highways, therefore it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment.

Conclusions of Law

1. Public convenience and necessity has been demonstrated and the application should be granted.
2. The request for a ZORF should be granted because the ZORF is fair and reasonable.
3. Before Applicant changes any fares under the ZORF authorized below, Applicant should be required to give this Commission at least ten days' notice. The tariff should show the high and low ends of the ZORF and the then currently effective fare between each pair of service points.
4. Because the matter is uncontested, the decision should be effective on the date it is signed.
5. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify these rights at any time.

O R D E R

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to Elk Grove Airporter LLC, a California Limited Liability Company, authorizing it to operate as a Passenger Stage Corporation (PSC), as defined in Pub. Util. Code § 226, to transport passengers and their baggage between the points and over the routes

set forth in Appendix PSC-31738, subject to the conditions contained in the following Ordering Paragraphs.

2. Elk Grove Airporter LLC shall:

- a. File a written acceptance of this certificate within 30 days after this order is effective.
- b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.
- c. File tariffs on or after the effective date of this decision. The tariff shall become effective ten days or more after the effective date of this decision, provided that the Commission and the public are given not less than ten days' notice.
- d. Comply with Commission's General Orders Series 101 and 158, and the California Highway Patrol safety rules.
- e. Comply with the controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and General Order Series 158.
- f. Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 423 when notified by mail to do so. Failure to comply with this filing will result in suspension and/or revocation of authority.
- g. Comply with Pub. Util. Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.
- h. Enroll all drivers in the Pull Notice System as required by Vehicle Code § 1808.1.

3. Elk Grove Airporter LLC is authorized under Pub. Util. Code § 454.2 to establish a Zone of Rate Freedom of \$30 above and below proposed fares. The minimum fare is \$21.

4. Elk Grove Airporter LLC shall file a Zone of Rate Freedom (ZORF) tariff with the Commission and the public in accordance with the application at least

ten days before the effective date of the tariff. The ZORF shall expire unless exercised within 120 days after the effective date of this order.

5. Elk Grove Airporter LLC may make changes within the Zone of Rate Freedom by filing amended tariffs with the Commission and the public in accordance with the application at least ten days before the effective date of the tariff. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.

6. In addition to posting and filing tariffs, Elk Grove Airporter LLC shall post notices explaining fare changes in its terminals and passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

7. Elk Grove Airporter LLC (Applicant), is authorized to begin operations on the date that the Safety and Enforcement Division mails a notice to Applicant that its evidence of insurance and other documents required by Ordering Paragraph No. 2 have been filed with the Commission and that the California Highway Patrol has approved the use of Applicant's vehicles for service.

8. Before beginning service to San Francisco International Airport (SFO) and Sacramento International Airport (SMF), Elk Grove Airporter LLC (Applicant), shall notify the SFO and SMF governing bodies. Applicant shall not operate into or on SFO or SMF property unless such operations are authorized by the SFO and SMF governing bodies.

9. The Certificate of Public Convenience and Necessity to operate as Passenger Stage Corporation-31738, granted herein, expires unless exercised within 120 days after the effective date of this order.

10. The Application is granted as set forth above.
11. This proceeding is closed.

This order is effective today.

Dated at San Francisco, California.

CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

AS A PASSENGER STAGE CORPORATION

PSC-31738

Showing passenger stage operative rights, restrictions,
limitations, exceptions, and privileges.

All changes and amendments as authorized by
the Public Utilities Commission of the State of California
will be made as revised pages or added original pages.

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SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS,
LIMITATIONS, AND SPECIFICATIONS.

Elk Grove Airporter LLC by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, is authorized to transport passengers and their baggage on an "on-call" basis over the routes described in Section II, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- a. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- b. The term "on-call", as used, refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs shall show the conditions under which each authorized on-call service will be provided, and shall include the description of the boundary of each fare zone, except when a single fare is charged to all points within a single incorporated city.
- c. No passengers shall be transported except those having a point of origin or destination as described in Section IIB.
- d. This certificate does not authorize the holder to conduct any operation on the property of any airport unless such operation is authorized by the airport authority involved.

SECTION II. SERVICE AREA.

A. Points in the Counties of San Francisco, San Joaquin, Solano, Stanislaus, Sutter, Tehama, Tuolumne, Yolo, Yuba, Amador, Butte, Calaveras, Colusa, Contra Costa, El Dorado, Glen, Merced, Nevada, Placer and Sacramento.

B. San Francisco International Airport (SFO) and Sacramento International Airport (SMF).

SECTION III. ROUTE DESCRIPTIONS

Commencing from any point described in Section IIA. Then over the most convenient streets and highways to any airport described in Section IIB.